

*Budget Review will take a long time*  
EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D. C.

July 18, 1963

*AHP*  
CIRCULAR NO. A-60

*Bldg + Gr.*  
TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Criteria for decentralizing Federal activities from the National Capital region

1. Purpose. Section 3(d) of Executive Order 11035 of July 9, 1962, directs agencies to "review continuously their needs for space in and near the District of Columbia, taking into account the feasibility of decentralizing services or activities which can be carried on elsewhere without excessive costs or significant loss of efficiency." This Circular establishes general criteria to assist Federal departments and agencies in determining the desirability of decentralizing agencies or agency activities from the National Capital region.

2. Background. In a memorandum of November 27, 1962, to the heads of executive departments and establishments and to the Commissioners of the District of Columbia, the President set forth development policies to serve as guidelines for the agencies of the executive branch in fulfilling the objectives of the Year 2000 Plan developed by the National Capital Planning Commission and the National Capital Regional Planning Council. The plan projected a total regional population of five million by the year 2000. Among the assumptions on which that projection was based were that Federal employment in the region would not exceed 450,000 and, secondly, that Federal activities not essential to the seat of government would be located outside of the National Capital region.

The President's ad hoc Committee on Federal Office Space initially proposed criteria for decentralization of activities from the National Capital region. These criteria are refined and clarified in this Circular.

The criteria are designed to provide practical tests for determining whether agencies, new or expanding activities, or existing activities should be located in the National Capital region or located outside of the region through decentralization or delegation of responsibility to existing field facilities. The National Capital region includes the District of Columbia, Montgomery and Prince Georges Counties in Maryland, and Arlington, Fairfax, Loudoun and Prince William Counties in Virginia; the cities of Alexandria and Falls Church in Virginia; and all cities now or hereafter existing in Maryland or Virginia within the geographic area bounded by the outer boundaries of the combined area of aforesaid counties.

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(8) It requires close coordination or working relationships with other Federal activities which are also susceptible to decentralization or delegation to a common new location or to existing field offices in a common location outside the National Capital region.

(9) Small liaison offices in Washington could effectively meet headquarters needs.

(10) Increased administrative economies, such as in travel, communications, rental, and recruiting, and improved efficiency, as in speed of decision-making or better service to the public, can be achieved through relocation and its initial costs can be justified accordingly.

b. An agency or agency activity is generally not susceptible to location outside the National Capital region when:

(1) It is directed to meeting the needs of the President, the Congress, or agency heads for continuing consultation, direction, and fixing of responsibility for governmental action.

(2) It is concerned with establishing national policies or developing broad principles and programs for nationwide application.

(3) It involves exercising general supervision over agency operations throughout the country to assure that those operations are in accord with general national policies.

(4) It is an activity conducted by persons who require close working relationships with those who make or direct major agency policy and who themselves must be located in the National Capital region.

(5) It requires close coordination or working relationships or continual communication with other headquarters agencies, the Congress, or non-governmental organizations or individuals located in the National Capital region.

(6) The costs of decentralization (including replacement of specialized physical facilities, loss of personnel with specialized skills, special training, relocation, travel, communications, and disruption of current operations) would outweigh benefits to be gained.

(7) Workload would not justify development of additional specialized staffs solely in order to achieve decentralization or delegation.

4. Responsibility for implementation. Responsibility for implementing the provisions of this Circular is assigned as follows:

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5. Report to the Bureau of the Budget. Each department and agency head will advise the Bureau of the Budget not later than September 9, 1963, of the procedural arrangements (including assignments of responsibility) that he has made for the systematic utilization of these criteria in reviewing and determining his organization's space requirements in the National Capital region.

KERMIT GORDON  
Director

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